



# JOINT BUDGET COMMITTEE STAFF FY 2018-19 BUDGET BRIEFING SUMMARY

Colorado General Assembly  
Joint Budget Committee

## *Department of Personnel*

The Department of Personnel is responsible for administering the state personnel system, which includes approximately 32,000 full time equivalent (FTE) staff, excluding the Department of Higher Education. In addition, the Department provides general support services for state agencies which include: oversight of procurement and financial activities and CORE operations; state archives; maintenance of Capitol Complex buildings, provision of central business services, and management of the State's motor vehicle fleet; administrative law judge services; coordination of capital construction and controlled maintenance projects and centralized lease management; administration of the State's personnel selection, classification, compensation, and employee benefit programs; and oversight of the State's liability, property, and workers' compensation insurance programs. The Department's FY 2017-18 appropriation represents approximately 0.7 percent of statewide operating appropriations and 0.1 percent of statewide General Fund appropriations.

## FY 2017-18 APPROPRIATION AND FY 2018-19 REQUEST

DEPARTMENT OF PERSONNEL						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	Federal Funds	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254 (Long Bill)	195,012,900	12,491,310	13,927,636	168,593,954	0	422.3
Other legislation	204,335	8,100	0	196,235	0	(0.2)
<b>TOTAL</b>	<b>\$195,217,235</b>	<b>\$12,499,410</b>	<b>\$13,927,636</b>	<b>\$168,790,189</b>	<b>\$0</b>	<b>422.1</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$195,217,235	12,499,410	\$13,927,636	\$168,790,189	\$0	422.1
R1 Address confidentiality program resources	303,113	283,113	20,000	0	0	2.5
R2 Cybersecurity liability insurance policy	375,000	0	0	375,000	0	0.0
R3 State Archives digitization and ERP	414,335	372,335	42,000	0	0	3.0
R4 Department operating adjustments	21,379	3,876	0	17,503	0	0.0
R5 DCS administration realignment	0	0	0	0	0	(0.4)
R6 Annual fleet vehicle request	1,899,894	0	0	1,899,894	0	0.0
NP2 CBMS/Peak budget alignment	3,391,028	0	0	3,391,028	0	0.0
Risk Management base adjustment	3,309,892	0	0	3,309,892	0	0.0
Centrally appropriated line items	2,292,252	69,531	59,465	2,163,256	0	0.0
Annualize prior year legislation	366,720	231,669	112,832	22,219	0	0.2
NP6 Block market interdiction	43,260	0	0	43,260	0	0.0
NP3 Annual fleet vehicle request	41,867	0	0	41,867	0	0.0
NP4 Operating system suite	34,098	9,105	3,240	21,753	0	0.0
NP5 Additional troopers and staff	29,477	0	0	29,477	0	0.0
Governor Transition Funding	25,000	25,000	0	0	0	0.0
NP1 Cybersecurity liability insurance policy	3,069	827	291	1,951	0	0.0
NP7 Additional flowline safety staff and equipment	2,148	0	0	2,148	0	0.0

DEPARTMENT OF PERSONNEL						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	Federal Funds	FTE
Fund source adjustment	0	(3,004)	3,004	0	0	0.0
Statewide indirect cost recoveries refinance	(709,975)	1,183,598	838,841	(2,732,414)	0	0.0
CORE Operations base adjustment	(66,863)	0	0	(66,863)	0	0.0
Annualize prior year budget action	(12,233)	(56,233)	82,000	(38,000)	0	(2.0)
<b>TOTAL</b>	<b>\$206,980,696</b>	<b>\$14,619,227</b>	<b>\$15,089,309</b>	<b>\$177,272,160</b>	<b>\$0</b>	<b>425.4</b>
<b>INCREASE/(DECREASE)</b>	<b>\$11,763,461</b>	<b>\$2,119,817</b>	<b>\$1,161,673</b>	<b>\$8,481,971</b>	<b>\$0</b>	<b>3.3</b>
Percentage Change	6.0%	17.0%	8.3%	5.0%	n/a	0.8%

**R1 ADDRESS CONFIDENTIALITY PROGRAM RESOURCES:** The request includes an increase of \$303,113 total funds, including \$283,113 General Fund, to operate the Address Confidentiality Program including increasing outreach. Please see the detailed issue brief contained in the following pages.

**R2 CYBERSECURITY LIABILITY INSURANCE POLICY:** The request includes an increase of \$375,000 reappropriated funds in FY 2018-19 and ongoing to fund the purchase of a cybersecurity insurance policy. Please see the detailed issue brief that follows this table.

**R3 STATE ARCHIVES DIGITIZATION AND ELECTRONIC RECORD PLAN:** The request includes an increase of \$414,335 total funds, including \$372,335 General Fund, and 3.0 FTE to continue digitization of legislative audio, refresh aging technology, and implement an electronic record plan. Please see the detailed issue brief contained in the following pages.

**R4 DEPARTMENT OPERATING ADJUSTMENTS:** The request includes an increase of \$21,379, including \$3,876 General Fund, to support operating costs for three of its programs: Colorado State Employees Assistance Program (CSEAP), State Personnel Board, and the Office of Administrative Courts. Without additional funding the programs:

- The CSEAP program will not be able to provide services at satellite offices or acquire new lease space in Colorado Springs at the end of its current lease;
- The State Personnel Board will not be able to access the new case management system implemented recently by the Office of Administrative Courts; and
- The Office of Administrative Courts will not be able to offer remote hearings, primarily for workers' compensation disputes, closer to the location of the dispute.

**R5 DIVISION OF CENTRAL SERVICES REALIGNMENT:** The request includes a net-zero change in the structure of the Department's Long Bill. During the last half of FY 2016-17, the Department's executive management team implemented a new organizational structure for the Division of Central Services with the intent of flattening DPA's organization. The goal of the reorganization was to create better alignment within working groups, provide greater agility, and improve communications between programs.

**R6 ANNUAL FLEET VEHICLE REQUEST:** The request includes a \$2.3 million increase in total funds for the Vehicle Replacement Lease/Purchase line item for the Fleet Management Program. The request is to replace 767 fleet vehicles statewide, including 413 designated as potential alternative fuel vehicles. The anticipated 2019 lease-purchase contract totals \$1.4 million in FY 2018-19.

**NP2 CBMS/PEAK BUDGET ALIGNMENT:** The request seeks an increase of \$3.4 million reappropriated funds to cover the Department's share of the OIT request.

**RISK MANAGEMENT BASE ADJUSTMENTS:** The request includes an increase of \$3.3 million reappropriated funds for risk management base adjustments.

**CENTRALLY APPROPRIATED LINE ITEMS:** The request includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; Capitol complex leased space; and payments to OIT.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The request includes a net increase of \$366,720 total funds, including an increase of \$69,371 General Fund, for adjustments related to prior year legislation as outlined in the following table.

ANNUALIZE PRIOR YEAR LEGISLATION					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FTE
Annualize HB17-1144 (Amend Cap Const Automatic Funding)	\$352,601	\$239,769	\$112,832	\$0	0.0
Annualize HB16-1467 (First Homebuyer Saving Account)	14,903	0	0	14,903	0.0
Annualize HB17-1296 (Assignment of State Vehicles)	8,366	0	0	8,366	0.2
Annualize SB17-121 (Improve Medicaid Compliance)	(6,750)	(8,100)	0	1,350	0.0
Annualize HB16-1194 (Ag Asset Lease Tax Deduction)	(2,400)	0	0	(2,400)	0.0
<b>TOTAL</b>	<b>\$366,720</b>	<b>\$231,669</b>	<b>\$112,832</b>	<b>\$22,219</b>	<b>0.2</b>

**NP6 BLACK MARKET INTERDICTION:** The request seeks an increase of \$43,260 reappropriated funds for vehicles requested by the Department of Public Safety.

**NP3 ANNUAL FLEET VEHICLE REQUEST:** The request includes the Department's share of annual fleet vehicle replacement adjustments.

**NP4 OPERATING SYSTEM SUITE:** The request seeks an increase of \$34,098 total funds, including \$9,105 General Fund, to cover the Department's share of the OIT request.

**NP5 ADDITIONAL TROOPERS AND STAFF:** The request seeks an increase of \$29,477 reappropriated funds for vehicles requested by the Department of Public Safety.

**GOVERNOR TRANSITION FUNDING:** The requests includes \$25,000 General Fund to assist in the transition to a new Governor in FY 2018-19. Section 24-8-105, C.R.S., directs the General Assembly to appropriate at least \$10,000 for this purpose. During the last Governor transition, the Department reports \$10,000 did not come close to covering costs associated with the transition.

**NP1 CYBERSECURITY LIABILITY INSURANCE POLICY:** The request includes an increase of \$3,069 total funds, including \$827 General Fund, to cover the Department's share of its common policy request.

**NP7 ADDITIONAL FLOWLINE SAFETY STAFF AND EQUIPMENT:** The request seeks an increase of \$2,148 reappropriated funds for vehicles requested by the Department of Natural Resources.

**FUND SOURCE ADJUSTMENT:** The request includes a decrease of \$3,004 General Fund offset by an increase in cash funds related to increased funding available from other cash funds refinancing.

**STATEWIDE INDIRECT COST RECOVERIES REFINANCE:** The request includes a net decrease of \$709,975 total for adjustments to departmental indirect cost assessments included in the Statewide Indirect Cost Plan.

**CORE OPERATIONS BASE ADJUSTMENTS:** The request includes a \$66,863 reduction in reappropriated funds for CORE Operations base adjustments for the Payments for CORE and Support Modules line item.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The request includes a net decrease of \$12,233 total funds, including a decrease of \$56,233 General Fund, for adjustments related to prior year budget actions as outlined in the following table.

ANNUALIZE PRIOR YEAR BUDGET ACTION					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FTE
Annualize FY15 R1 Total compensation vendor	\$300,000	\$300,000	\$0	\$0	0.0
Annualize SB13-276	82,000	0	82,000	0	0.0
Annualize FY14 CP2 Employee Engagement Survey	(215,000)	(215,000)	0	0	0.0
Annualize FY15 BA1	(141,233)	(141,233)	0	0	(2.0)
Annualize FY18 R1	(38,000)	0	0	(38,000)	0.0
<b>TOTAL</b>	<b>(\$12,233)</b>	<b>(56,233)</b>	<b>\$82,000</b>	<b>(\$38,000)</b>	<b>(2.0)</b>

## SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

**R1 ADDRESS CONFIDENTIALITY PROGRAM RESOURCES:** The Department requests an increase of \$303,113, including \$283,113 General Fund, and 2.5 FTE to operate the Address Confidentiality Program including increasing outreach.

**R2 CYBERSECURITY LIABILITY INSURANCE POLICY:** The Department requests an increase of \$375,000 reappropriated funds in FY 2018-19 and ongoing to fund the purchase of a cybersecurity insurance policy for each state agency. The policy will provide \$5 million coverage in the event of a cybersecurity failure after a \$1 million deductible.

**R3 STATE ARCHIVES DIGITIZATION AND ELECTRONIC RECORD PLAN:** The Department requests an increase of \$414,335 total funds, including \$372,335 General Fund, and 3.0 FTE to continue digitization of legislative audio, refresh aging technology, and implement an electronic record plan.

## FOR MORE INFORMATION

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**TO READ THE ENTIRE BRIEFING:** [http://leg.colorado.gov/sites/default/files/fy2018-19\\_perbrf.pdf](http://leg.colorado.gov/sites/default/files/fy2018-19_perbrf.pdf)